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RUEHMD/AMEMBASSY MADRID IMMEDIATE 0000
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 RUEHLC/AMEMBASSY LIDSEVILLE PRIORITY 0000
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 RUEHAD/USINT BAGHDAD PRIORITY 0000
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 RUEHQA/AMEMBASSY QUITO PRIORITY 0000
 RUEHME/AMEMBASSY MEXICO PRIORITY 0000
 RUEHMO/AMEMBASSY MOSCOW PRIORITY 0000
 RUEHFM/AMEMBASSY STOCKHOLM PRIORITY 0000
 RUEHBO/AMEMBASSY BERN PRIORITY 0000
 RUEHVI/AMEMBASSY VIENNA PRIORITY 0000
 RUEHKL/AMEMBASSY HELSINKI PRIORITY 0000
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 RUEHLNJ/AMEMBASSY NOJAMENA PRIORITY 0000
 RUEHKL/AMEMBASSY KUALA LUMPUR PRIORITY 0000
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 RUEHQA/USLO RIYADH PRIORITY 0000
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 EXDIS BRUSSELS FOR USEC PARIS FOR USOECD
 E.O. 12065: RDS-3 3/1/88 (EAGLEBURGER, L. 5)

TAGS: ESTC, EPT, LY

SUBJECT: U.S. POLICY TOWARD LIBYA

1. (S) ENTIRE TEXT.

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2. THE PRESIDENT HAS DECIDED, SUBJECT TO CONSULTATION WITH THE CONGRESS, TO PROHIBIT IMPORTS OF LIBYAN CRUDE OIL INTO THE U.S., TO REQUIRE VALIDATED LICENSES FOR MOST EXPORTS AND REEXPORTS OF U.S. GOODS AND TECHNOLOGY TO LIBYA AND TO GENERALLY DENY LICENSE APPLICATIONS FOR CERTAIN TYPES OF EXPORTS TO LIBYA. WE PLAN TO ANNOUNCE THESE MEASURES DURING THE WEEK OF MARCH 8 AFTER COMPLETION OF CONSULTATIONS WITH THE CONGRESS AND DISCUSSIONS WITH CERTAIN ALLIED AND FRIENDLY GOVERNMENTS.

3. ACCORDINGLY, YOU SHOULD SEEK THE EARLIEST POSSIBLE OPPORTUNITY TO EXPLAIN OUR POLICY DIRECTION TO HOST GOVERNMENTS AT AN APPROPRIATELY HIGH LEVEL, DRAWING ON THE POINTS BELOW AS WELL AS THE LIST OF LIBYAN ACTIONS (CONTAINED IN SEPTTEL) WHICH DEMONSTRATE THE LIBYAN BEHAVIOR TO WHICH WE ARE REACTING. YOU SHOULD EMPHASIZE THAT THESE STEPS ARE THE PRODUCT OF A CONTINUING, COMPREHENSIVE REVIEW OF OUR POLICY TOWARD LIBYA PRECIPITATED BY THE LONG-TERM PATTERN OF LIBYAN ACTIONS WHICH SERIOUSLY VIOLATE ACCEPTED INTERNATIONAL NORMS OF BEHAVIOR. YOU SHOULD ALSO STRESS THAT CONFIDENTIALITY BE PRESERVED UNTIL OUR POLICY HAS BEEN ANNOUNCED.

4. POINTS TO MAKE:

-- THE U.S. PLANS DURING THE WEEK OF MARCH 8 TO TAKE TWO ACTIONS RELATING TO LIBYA. FIRST, WE PLAN TO PROHIBIT IMPORT OF LIBYAN CRUDE OIL INTO THE UNITED STATES. SECOND, WE PLAN TO INCREASE CONTROLS ON U.S. EXPORTS TO LIBYA. ALL EXPORTS AND REEXPORTS OF U.S. GOODS AND TECHNOLOGY, EXCEPT MEDICINE, MEDICAL SUPPLIES, AND AGRICULTURAL COMMODITIES WILL REQUIRE VALIDATED LICENSES. OUR GENERAL POLICY WILL BE NOT TO APPROVE LICENSE APPLICATIONS FOR (A) ITEMS CONTROLLED FOR NATIONAL SECURITY PURPOSES (I.E. "DUAL USE" ITEMS) AND (B) OIL AND GAS TECHNOLOGY AND EQUIPMENT WHEN SUCH ITEMS ARE NOT READILY AVAILABLE FROM NON-U.S. SOURCES. HOWEVER, THESE MEASURES WOULD NOT APPLY TO ITEMS ALREADY OUTSIDE THE U.S. AND TO ITEMS SUBJECT TO PRE-EXISTING BINDING CONTRACTS.

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-- THE MEASURES WHICH WE INTEND TO TAKE ARE NOT PRECIPITATED BY A PARTICULAR ACT OF THE LIBYAN GOVERNMENT, BUT RATHER BY A CONTINUING PATTERN OF LIBYAN BEHAVIOR WHICH VIOLATES ACCEPTED INTERNATIONAL NORMS OF BEHAVIOR. WE BELIEVE THAT QADHAFI MUST BE CONSIDERED AS MORE THAN JUST A DANGEROUS ECCENTRIC. ALTHOUGH HIS AMBITIONS FAR EXCEED HIS CAPABILITIES, HIS LARGE FINANCIAL RESOURCES, HIS VAST SUPPLIES OF SOVIET WEAPONS, AND HIS WILLINGNESS TO EMPLOY ASSASSINATION, SUBVERSION AND TERRORISM TO ADVANCE HIS OBJECTIVES MAKE HIM A SERIOUS THREAT TO A LARGE NUMBER OF NATIONS AND INDIVIDUALS, PARTICULARLY IN AFRICA AND THE MIDDLE EAST.

-- OUR POLICY TOWARD LIBYA HAS BEEN UNDER CAREFUL REVIEW FOR OVER A YEAR. WE HAVE MOVED IN A MEASURED WAY TO ADDRESS THE THREAT POSED BY LIBYA. OUR POLICY CENTERS ON EFFORTS TO STRENGTHEN STATES WHICH ARE THREATENED BY LIBYA AND TO SUPPORT PEACEKEEPING INITIATIVES SUCH AS THE OAU FORCE IN CHAD. IN ADDITION, WE HAVE TAKEN STEPS TO DEMONSTRATE THAT WE WILL NOT TOLERATE LIBYAN MISBEHAVIOR. FOR EXAMPLE, WE CLOSED THE LIBYAN PEOPLES' BUREAU TO PROTECT LIBYAN NATIONALS IN THE U.S., FROM ASSASSINATION. WE HAVE ALSO MOVED TO PROTECT OUR OWN CITIZENS BY REQUESTING THEIR WITHDRAWAL FROM LIBYA.

-- SINCE WE HAVE NOT SEEN EVIDENCE OF A SIGNIFICANT, LASTING CHANGE IN ITS BEHAVIOR, WE ARE CONVINCED THAT OTHER MEANS ARE NECESSARY TO DEMONSTRATE TO THE LIBYAN GOVERNMENT THAT IT WILL HAVE TO PAY AN INCREASING COST FOR ITS ACTIONS AND TO LIMIT AS MUCH AS POSSIBLE THE MEANS AVAILABLE TO THE LIBYAN GOVERNMENT TO SUPPORT THESE ACTIONS.

-- WE HAVE NO ALTERNATIVE BUT TO TAKE THESE STEPS. WE CANNOT JUSTIFY OUR CONTINUED OPPOSITION TO LIBYA'S TERRORIST AND SUBVERSIVE ACTIVITIES IF AMERICANS ARE SENDING BILLIONS OF DOLLARS TO LIBYA EACH YEAR -- DOLLARS WHICH WILL BE USED TO SUPPORT THESE ACTIVITIES.

-- NOR CAN WE CONTINUE TO EXPORT TO LIBYA MATERIALS AND TECHNOLOGY THAT MAY BE USED IN THE CONDUCT OF TERRORISM AND SUBVERSION OR TO ENHANCE THE PRODUCTION OF OIL AND GAS.

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WHICH WILL THEN PROVIDE THE FINANCIAL BACKING FOR THIS ILLEGAL ACTIVITY. WE DO NOT WANT TO SEE A REPEAT OF THE UNFORTUNATE SITUATION IN WHICH U.S.-MADE TRUCKS, ALTERED FOR MILITARY USE DESPITE ASSURANCES BY THE LIBYANS THAT THEY WOULD NOT BE, ARE USED TO CARRY LIBYAN TANKS TO INVADE A NEIGHBORING COUNTRY. THIS WAS ONLY ONE INCIDENT OF U.S. EQUIPMENT BEING DIVERTED TO MILITARY PURPOSES.

-- WHILE WE ARE ASKING FOR UNDERSTANDING AND SUPPORT BY OTHER GOVERNMENTS, AND WOULD OBVIOUSLY APPRECIATE YOUR SUPPORT IN JOINING THESE MEASURES, WE ARE NOT GOING TO PRESS FOR PARALLEL ACTIONS EVEN THOUGH WE RECOGNIZE THAT THESE MEASURES MAY BE LESS EFFECTIVE IF THE U.S. ACTS ALONE. WE BELIEVE, HOWEVER, THAT THESE MEASURES HAVE SIGNIFICANT VALUE IN AND OF THEMSELVES AS A DEMONSTRATION TO THE LIBYAN GOVERNMENT AND TO THOSE THREATENED BY HIM OF OUR CONTINUING STRONG CONCERN, AND TO UNDERLINE THE SERIOUSNESS OF THE LIBYAN THREAT TO OTHER NATIONS. WE WOULD HOPE THAT OUR FRIENDS AND ALLIES WOULD NOT ACT TO UNDERCUT THEM, AND WILL AVOID UNNECESSARY CRITICISM OF U.S. POLICY.

-- WE WOULD ALSO ENCOURAGE OTHER GOVERNMENTS TO LOOK CAREFULLY AT THEIR OWN RELATIONSHIP WITH LIBYA--BOTH POLITICAL AND ECONOMIC--TO SEE WHAT THEY CAN DO TO COUNTER THE SUBVERSIVE AND TERRORIST ACTIVITIES IN WHICH LIBYA IS ENGAGED. WE ARE PREPARED TO WORK WITH YOU--TO SHARE INFORMATION, COOPERATE ON COUNTER-TERRORISM EFFORTS, AND TO STRENGTHEN THOSE NATIONS WHICH ARE VULNERABLE TO LIBYA'S HOSTILE ACTIONS.

-- I WOULD LIKE TO EXPLAIN THE TWO MEASURES IN GREATER DETAIL AND THEN GIVE YOU A BRIEF ACCOUNT OF SOME OF THE ACTIONS BY THE LIBYAN GOVERNMENT WHICH ARE OF CONCERN TO US.

OIL IMPORTS

-- WE PLAN TO ISSUE AN ORDER UNDER SECTION 232 OF OUR TRADE EXPANSION ACT OF 1962 TO PROHIBIT THE IMPORT OF LIBYAN CRUDE INTO THE UNITED STATES. THE PROHIBITION

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WILL NOT APPLY TO THE IMPORT OF PRODUCTS REFINED FROM LIBYAN CRUDE. (FYI: IT IS EXTREMELY DIFFICULT TO DETERMINE THE ORIGIN OF CRUDE OIL USED IN MAKING REFINED PRODUCTS. WE UNDERSTAND THAT VERY LITTLE LIBYAN CRUDE ENTERS THE U.S. AS REFINED PRODUCTS, AND IT IS NOT LIKELY FOR ECONOMIC REASONS THAT THE ORDER AGAINST IMPORTS WILL BE EVADED IN THIS WAY. END FYI)

-- WE ARE NOT ATTEMPTING TO RESTRICT THE SHIPMENT OF LIBYAN OIL TO OTHER COUNTRIES, EVEN IF THE TRANSACTION IS CARRIED OUT BY U.S. COMPANIES OR THEIR SUBSIDIARIES. (FYI: THE UNITED STATES PRESENTLY IMPORTS ABOUT 150,000 BARRELS PER DAY OF LIBYAN CRUDE. THERE IS CURRENTLY A SURPLUS OF LIBYAN-TYPE LIGHT OIL ON THE WORLD MARKET AND WE WILL HAVE NO TROUBLE IMPORTING THIS AMOUNT FROM OTHER SOURCES. WE CAN REASSURE THOSE COUNTRIES CONCERNED THAT THIS WOULD NOT PUT UPWARD PRESSURE ON THE WORLD OIL PRICE. YOU SHOULD EXPRESS OUR HOPE THAT OTHER NATIONS NOT INCREASE IMPORTS FROM LIBYA, BUT WE ARE NOT GOING TO APPLY PRESSURE ON THEM TO DO SO. END FYI)

-- FINALLY, THE PROHIBITION WILL NOT APPLY TO IMPORTS OF CRUDE OIL WHERE THE OIL IS ALREADY IN TRANSIT TO THE U.S. AT THE TIME THE ORDER TAKES EFFECT.

RESTRICTIONS ON EXPORTS

-- WE PLAN TO USE THE FOREIGN POLICY CONTROLS AVAILABLE UNDER THE EXPORT ADMINISTRATION ACT TO REQUIRE VALIDATED LICENSES FOR ALL EXPORTS OF U.S. ORIGIN GOODS AND TECHNOLOGY TO LIBYA, EXCEPT FOR MEDICINE, MEDICAL SUPPLIES, AND AGRICULTURAL COMMODITIES. WE WOULD ADDRESS LICENSE APPLICATIONS ON A CASE-BY-CASE BASIS. HOWEVER, AS A MATTER OF GENERAL POLICY THERE WOULD BE A PRESUMPTION THAT LICENSES WILL BE DENIED FOR: (1) ITEMS CONTROLLED FOR NATIONAL SECURITY PURPOSES (I.E. "DUAL USE" ITEMS HAVING BOTH MILITARY AND COMMERCIAL APPLICATIONS); AND (2) OIL AND GAS TECHNOLOGY AND EQUIPMENT NOT READILY AVAILABLE FROM NON-U.S. SOURCES. WE WILL BE IDENTIFYING THE ITEMS IN THE NEXT FEW WEEKS. (FYI: WE EXPECT THEY WILL BE RELATIVELY FEW IN NUMBER. END FYI). THESE WILL

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BE NO PRESUMPTION OF DENIAL FOR LICENSES INVOLVING ITEMS OUTSIDE THESE TWO CATEGORIES.

-- TO THE EXTENT POSSIBLE, WE INTEND TO MINIMIZE THE EXTRATERRITORIAL IMPACT OF THESE NEW CONTROLS. THEY WILL NOT APPLY TO EXPORTS OF NON-U.S. ORIGIN ITEMS BY U.S. SUBSIDIARIES OVERSEAS. THE CONTROLS WILL AFFECT ONLY EXPORTS OR REEXPORTS OF U.S. ORIGIN ITEMS.

-- MOREOVER, WE INTEND TO FOLLOW A FLEXIBLE POLICY WHEN THIRD COUNTRY COMPANIES ARE INVOLVED. FOR EXAMPLE, REEXPORTS OF GOODS AND TECHNICAL DATA ALREADY OUTSIDE THE U.S. AT THE TIME THE NEW CONTROLS ARE IMPOSED WILL NOT BE PRECLUDED UNDER THESE CONTROLS. FOREIGN PRODUCTS DERIVED FROM U.S. TECHNICAL DATA WILL NOT BE AFFECTED BY THE NEW CONTROLS. IN ADDITION, THE U.S. WILL BE PREPARED TO SHOW SOME FLEXIBILITY WITH RESPECT TO THE LICENSING OF THE ITEMS GENERALLY TO BE PROHIBITED FROM EXPORT OR REEXPORT UNDER THE NEW CONTROLS. WHERE THE ITEMS ARE REQUIRED TO FULFILL PRE-EXISTING CONTRACTS OR ARE COMPONENTS REPRESENTING A MINOR PERCENTAGE OF PRODUCTS TO BE PRODUCED ABROAD.

-- NO OUTSTANDING VALIDATED LICENSES FOR EXPORT OR REEXPORT TO LIBYA WILL BE AFFECTED BY THE NEW CONTROLS.

-- WE WANT TO EMPHASIZE OUR UNDERSTANDING OF ALLIED INTERESTS IN THESE MATTERS AND THE PRESIDENT'S INTENTION TO MINIMIZE ANY DIFFICULTIES THAT WOULD ARISE OVER THE POTENTIAL EXTRATERRITORIAL APPLICATION OF U.S. LAW. WITH THAT THOUGHT PARTLY IN MIND WE HAVE DRAWN THE RESTRICTIONS VERY NARROWLY TO COVER ONLY NATIONAL SECURITY ITEMS AND THOSE OIL AND GAS ITEMS NOT READILY AVAILABLE OUTSIDE THE U.S. WE ALSO HAVE INCLUDED THE FLEXIBILITY JUST DESCRIBED WITH RESPECT TO PRIOR CONTROLS, PRIOR LICENSES, ITEMS ALREADY SHIPPED OUTSIDE THE U.S. AND THE USE OF U.S. COMPONENTS ALREADY SHIPPED OUTSIDE THE U.S.

-- WE WILL BE ABLE TO PROVIDE MORE DETAILS AS WE PROCEED WITH THE DEVELOPMENT OF IMPLEMENTING REGULATIONS AND WITH CONSULTATIONS WITH THE CONGRESS.

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-- WE ARE NOT BLOCKING LIBYAN FINANCIAL ASSETS, EITHER DIRECTLY OR INDIRECTLY, NOR DO WE CONTEMPLATE UNDERTAKING ANY SUCH ACTION.

-- THE LEGISLATIVE AUTHORITIES WE ARE USING FOR THE MEASURES WE ARE UNDERTAKING, THE TRADE EXPANSION ACT AND THE EXPORT ADMINISTRATION ACT, DO NOT GIVE US THE POWER TO BLOCK LIBYAN FINANCIAL ASSETS, EITHER DIRECTLY OR INDIRECTLY.

WITHDRAWAL OF U.S. CITIZENS FROM LIBYA

-- THE RESPONSE TO THE PRESIDENT'S REQUEST THAT U.S. CITIZENS LEAVE LIBYA HAS BEEN VERY POSITIVE. ALL U.S. CONTROLLED COMPANIES HAVE COMPLIED WITH THE REQUEST; ONLY A VERY FEW OF THEIR U.S. CITIZEN EMPLOYEES REMAIN AND THESE WILL BE OUT SOON. THERE ARE OTHER U.S. CITIZENS IN LIBYA WORKING FOR LIBYAN OR THIRD COUNTRY COMPANIES OR AS SPOUSES OF LIBYAN NATIONALS (FCI: ABOUT 400 TOTAL). SOME OF THESE HAVE CHOSEN TO STAY IN CLEAR DISREGARD OF U.S. GOVERNMENT POLICY, AND ARE NOT LIKELY TO LEAVE UNDER ANY CONDITIONS.

CONCLUSION

-- THE MEASURES REPRESENT A SERIOUS CONCERN OF THE U.S. GOVERNMENT AT THE HIGHEST LEVELS THAT THE ACTIONS BY THE LIBYAN GOVERNMENT TO UNDERMINE OTHER GOVERNMENTS, ASSASSINATE HIGH RANKING OFFICIALS, AND ENCOURAGE TERRORIST ATTACKS ON PRIVATE CITIZENS AND OFFICIALS ALIKE CANNOT GO UNCHECKED IF WE ARE AT ALL COMMITTED TO CREATING A WORLD IN WHICH NATIONS CAN MAINTAIN THEIR INDEPENDENCE AND CHOOSE THEIR OWN PATH OF POLITICAL, ECONOMIC, AND SOCIAL DEVELOPMENT. WE BELIEVE THAT WE MUST TAKE A LEADERSHIP ROLE ON THIS ISSUE TO HELP PROTECT NATIONS AND INDIVIDUALS THREATENED BY LIBYA'S ACTIONS. WE ASK OTHER NATIONS TO ENSURE THAT THEIR POLICIES TOWARD LIBYA CONVEY A SIMILARLY FIRM MESSAGE TO THE LIBYAN GOVERNMENT THAT IT MUST CEASE ITS SUPPORT FOR SUBVERSION AND TERRORISM.

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5. ACTION ADDRESSEES, PARTICULARLY NONCORED POSTS, MAY WISH TO DESCRIBE THE TWO MEASURES IN LESS DETAIL THAN THAT CONTAINED IN THE TALKING POINTS.

6. INFO ADDRESSEES CAN DRAW ON THESE POINTS TO BRIEF HOST GOVERNMENT OFFICIALS AS OUR POLICY IS BEING OFFICIALLY ANNOUNCED; WE WILL ALERT YOU IN ADVANCE.

7. FOR CAIRO, TUNIS, KHARTOUM, KABAT, JIDDA, AMMAN, MUSCAT: YOU MAY WISH TO NOTE OUR CONSULTATIONS IN THE PAST WITH HOST GOVERNMENTS ON THE LIBYA ISSUE AND EMPHASIZE OUR INTENTION, AS DEMONSTRATED BY THIS APPROACH, TO CONTINUE TO DISCUSS WITH THEM OUR POLICY TOWARD LIBYA.

8. FOR ATHENS AND ANKARA: WE RECOGNIZE THAT SPECIAL CIRCUMSTANCES GOVERN THE RELATIONSHIPS OF GREECE AND TURKEY WITH LIBYA. YOU ARE THEREFORE AUTHORIZED TO MODIFY THOSE ELEMENTS OF THIS INSTRUCTION WHICH ADDRESS HOST COUNTRY RELATIONSHIPS WITH LIBYA, AS APPROPRIATE. AT THE SAME TIME, IN YOUR DEMARCHE YOU SHOULD LEAVE NO DOUBT ABOUT STRONG U.S. STAND ON THIS ISSUE AND OUR DESIRE THAT HOST COUNTRIES SUPPORT OUR ACTIONS WHERE POSSIBLE.

9. FOR BONN: IN PRESENTING THE ABOVE POINTS, YOU SHOULD NOTE THAT WE UNDERSTAND ARGUMENTS BY FOREIGN MINISTER GENSCHER AND OTHERS IN FAVOR OF SEEKING TO BUILD BRIDGES TO QADHAFI. WE BELIEVE THAT WHILE THIS APPROACH MIGHT IMPROVE THE ATMOSPHERICS OF RELATIONS WITH LIBYA, THE SUBSTANCE OF LIBYAN BEHAVIOR WOULD NOT BE CHANGED. THE MANY EFFORTS IN THIS DIRECTION ON OUR PART HAVE LED ONLY TO FURTHER RECRIMINATIONS AND HOSTILE ACTIONS FROM THE LIBYANS. IT SEEMS EVIDENT THAT AT PRESENT, QADHAFI IS MORE INTERESTED IN USING THE UNITED STATES AS AN EXCUSE FOR HIS UNACCEPTABLE BEHAVIOR THAN IN FINDING POSSIBILITIES FOR IMPROVING RELATIONS. WE WILL, OF COURSE, RECEIVE WITH INTEREST ANY FURTHER INFORMATION AVAILABLE TO THE FRG ON QADHAFI'S INTENTIONS. AT THE SAME TIME, WE URGE STRONGLY THAT, IN PUBLIC STATEMENTS, THE FRG SEEK TO EXPRESS UNDERSTANDING FOR THE CONSIDERATIONS WHICH LED TO THE U.S. DECISION.

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10. FOR LONDON: WE RECOGNIZE HMG IS OPPOSED TO ADDITIONAL SANCTIONS AGAINST LIBYA AND WILL NOT LIKELY JOIN US. NEVERTHELESS, WE WANT TO KEEP LONDON FULLY INFORMED OF OUR REASONS FOR TAKING THESE STEPS, WITH THE EXPECTATION THAT HMG WILL NOT PUBLICLY CRITICIZE THE MEASURES.

11. FOR PARIS: WHILE WE ARE NOT ASKING THE FRENCH TO TAKE INITIATIVES PARALLEL TO OURS, YOU SHOULD URGE THAT THEY AVOID FURTHER POSITIVE GESTURES TOWARD QADHAFI, WHICH COULD BE SEEN AS OFFSETTING OUR OWN. THESE INCLUDE RECENT TEND TO UPGRADING RELATIONS WITH TRIPOLI TO FULL DIPLOMATIC STATUS, AGREEING TO DELIVERY OF AIRCRAFT, ADDITIONAL FAST PATROL BOATS, OR ANY OTHER EQUIPMENT OR COOPERATION HAVING POSSIBLE MILITARY APPLICATION.

12. FOR ROME: WE ARE SENSITIVE TO THE PRESENCE OF OVER 20,000 ITALIANS IN LIBYA AND ARE NOT ASKING FOR OUR INITIATIVES PARALLEL TO OUR OWN. AT THE SAME TIME, WE ARE CONCERNED WITH ITALIAN EXPORTS OF MILITARY EQUIPMENT TO LIBYA, MOST SERIOUS OF WHICH INVOLVES THE LARGE NUMBER OF SIAI-MARCHETTI AIRCRAFT (SF-260) WHICH SERVE AS TRAINERS BUT ARE IDEAL AS LIGHT-WEIGHT FIGHTER AIRCRAFT AND HAVE BEEN SO USED AGAINST CHAD AND THE SUDAN. WE WISH THAT THE SIAI-MARCHETTI PROGRAM WILL TERMINATE.

13. FOR BRUSSELS: AMBASSADOR SHOULD APPROACH BELGIANS AT APPROPRIATE LEVEL, IN BOTH THEIR NATIONAL AND EC PRESIDENCY CAPACITY, TO INFORM THEM OF ABOVE. IN ADDITION, YOU SHOULD SAY THAT AS DE FACTO REPRESENTING POWER FOR U.S. IN LIBYA, WE ARE SENSITIVE TO THEIR POSITION AND THAT THEY MAY BE FACED WITH THE NEED TO PROVIDE ASSISTANCE TO THOSE U.S. CITIZENS WHO HAVE CHOSEN TO REMAIN AGAINST USG ADVICE. WE WILL CONTINUE TO KEEP CDS INFORMED AS TO FURTHER DEVELOPMENTS. WE ARE CALLING IN BELGIAN AMBASSADOR TO THE U.S. TO BRIEF HIM ALONG THE LINES OF THE ABOVE.

14. FOR USEC: DURING RECENT SERIES OF BILATERALS, WE PROMISED TO UPGRADE DIALOGUE WITH THE EC. THUS, WE WANT TO INFORM COMMISSION IN SOME DETAIL AS TO OUR STRATEGY AND PLANS ON LIBYA AS PART OF THAT CONSULTATION MECHANISM.

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WE ARE FULLY AWARE OF GREAT SENSITIVITY OF THE EXTRA-
TERRITORIALITY ISSUE AND HAVE TRIED TO CONSTRUCT OUR
TRADE RESTRICTIONS PROGRAM TO MINIMIZE IMPACT ON EUROPEAN
ECONOMIC INTERESTS.

15. FOR USNATO: PLEASE BRIEF SECRETARY GENERAL LUNS.
MISSION MAY ALSO USE FOREGOING GUIDANCE AS APPROPRIATE
IN DISCUSSIONS WITH OTHER DELEGATIONS. HAIG

END OF MESSAGE

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